

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:2198
ANSWERED ON:03.12.2001
BAILOUTS PACKAGE FOR AIRLINES
RENUKA CHOWDHURY;YEMPARALA VENKATESWARA RAO

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government are aware of the bailouts given to airline companies in US and Europe after the terrorist attacks in US;
- (b) if so, whether Air India/Indian Airlines and Jet Airways approached the Government for bailout package; and
- (c) if so, the decision taken by the Government thereon?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN)

(a):- Yes, Sir.

(b):- Only Jet Airways have submitted a proposal seeking several relief measures to tide over the serious economic problems and recessionary conditions being faced by the aviation sector. Some of the important measures are:-

(i) Indemnity from the government to cover the uncovered portion of the required insurance coverage not available from Insurance companies;

(ii) Retention of 50% of Inland Air Travel Tax (IATT) by the airlines;

(iii) 30% relief in Category II & IIA operations;

(iv) Exemption from Customs Duty on import of aircraft and engines;

(v) Extension of the limit of 4% Central Sales Tax on Aviation Turbine Fuel to all aircraft operations;

(vi) Permission to hedge fuel prices; and

(vii) 50% reduction in Landing, Route Navigation Facility Charges (RNFC) and Parking charges.

(c):- These proposals from Jet Airways are under consideration of the Government except for b

(i) which has not been agreed to.